

Note: These minutes from the January 8, 2019 Legislative Committee meeting were approved and executed at the February 7, 2019 meeting.

**NHRS Legislative Committee
of the
Board of Trustees
January 8, 2019**

PUBLIC MINUTES

**New Hampshire Retirement System
54 Regional Drive
Concord, NH**

Committee Member present: Chair Scott Myers, Trustees Michael Milligan, Richard Gustafson, Sue Hannan and Bob Maloney.

Staff: George Lagos, *Executive Director*; Mark Cavanaugh, *Associate Counsel and Compliance Officer*; Diana Crichton, *Hearings Examiner*; Tim Crutchfield, *Chief Legal Counsel*; Larry Johansen, *Director of Investments*; Marty Karlon, *Public Information Officer*; Nancy Miller, *Director of Member Services*; and Margaret Astles, *Executive Assistant*.

Chair Myers called the meeting to order at 10:00 a.m. Having established a quorum, he called for a motion to accept the November 2, 2018 Legislative Committee meeting minutes.

On a motion by Trustee Gustafson, seconded by Trustee Maloney, the Committee voted to approve the minutes of November 2, 2018, as presented. *Abstention:* Trustee Hannan.

Public Information Officer Marty Karlon reported on the latest legislative service requests, beginning with HB 110 concerning a second attempt by the sponsor to reimburse NHRS for outside vendor costs dealing with legislative analysis, for example; actuarial work done by GRS or reimbursement for fiduciary counsel, should the need arise. Currently fiscal analysis is funded from the non-statutory administrative budget through NHRS. If passed, HB 110 would bill the Governor's office general fund for the costs. Attorney Cavanaugh noted that these would be plan-sponsored expenses.

Mr. Karlon reported that HB 116 relates to the transfer of state agency positions to Group II in the retirement system. He explained that for a number of years, the Department of Corrections had been trying to get legislation introduced to move certain line correction personnel into Group II. This bill has been studied by four veteran House ED & A Committee members and they want to move the process out of the legislature and to

the retirement system. The bill would set up a process by which an agency would reach out to the division of personnel for positions they believe should be Group II under the statutory requirement. The statute currently reads, "Any reclassification of positions is done through legislation", which they propose to delete, giving that responsibility to the Board. Mr. Karlon noted that the bill has technical concerns regarding how the bill is written that would have to be addressed. He suggested that the Trustees ponder considering this bill as it is a policy change and it gives more responsibility to the Board.

Trustee Gustafson asked Attorney Cavanaugh if there would be an appeal process associated with this bill concerning rulemaking. Attorney Cavanaugh believed that there would be, and noted, if we were to make an administrative determination that the position should not be reclassified, the employer or employee aggrieved would have the right to appeal for a hearing.

Mr. Karlon reported on HB 418 concerning limitations on part-time employment under the NHRS. He explained that this bill adds an exemption for hours worked for emergency response and training by retired members working for municipal fire departments. There are two exceptions that do not count against the maximum number of hours worked; a governor declared state of emergency or working under the direction of the Director of the Division of Forests and Lands during woodland fire control.

Mr. Karlon highlighted other draft LSRs of significance to NHRS. He began with 2019-1116 HB, noting that this is a reinstatement relative to payment by the State of a portion of retirement system contributions of political subdivision employers. 2019-0496 HB part-time employment of retired community college system faculty. Mr. Karlon thought that this bill title had come about because NHRS received many phone calls when HB 561 went into effect from faculty at the Community College system in response to the 28-day separation rule from the effective date of retirement. Attorney Cavanaugh agreed, and noted that the summer session starts before the spring semester ends. He explained that if someone retired on June 1 and wanted to teach in the summer semester, they would have had to start in May, due to the 28-day separation rule. 2019-0557 HB concerns county employees' participation in the state retirement system. 2019-0674 HB relates to the cost of living adjustment for retirees from the state retirement system. 2019-0709 HB establishes a state defined contribution retirement plan for state and political subdivision members of the retirement system. 2019-0733 HB relates to the definition of earnable compensation. 2019-0759 HB deals with the purchase of service credit in the state retirement plan. Mr. Karlon noted that this is the LSR that the Board endorsed on the service credit change due to employer oversight and prior military service. He reached out to a

number of co-sponsors for this bill title. 2019-0960-SB concerns an active employee member of the NH Retirement System's Independent Investment Committee.

With no further business to discuss, Chair Myers called for a motion to adjourn.

On a motion by Trustee Milligan, seconded by Trustee Hannan, the Legislative Committee voted unanimously to adjourn the meeting.

Respectfully submitted,

Margaret M. Astles
Executive Assistant